

Workforce and Affordable Housing Initiatives

Newport Planning Commission

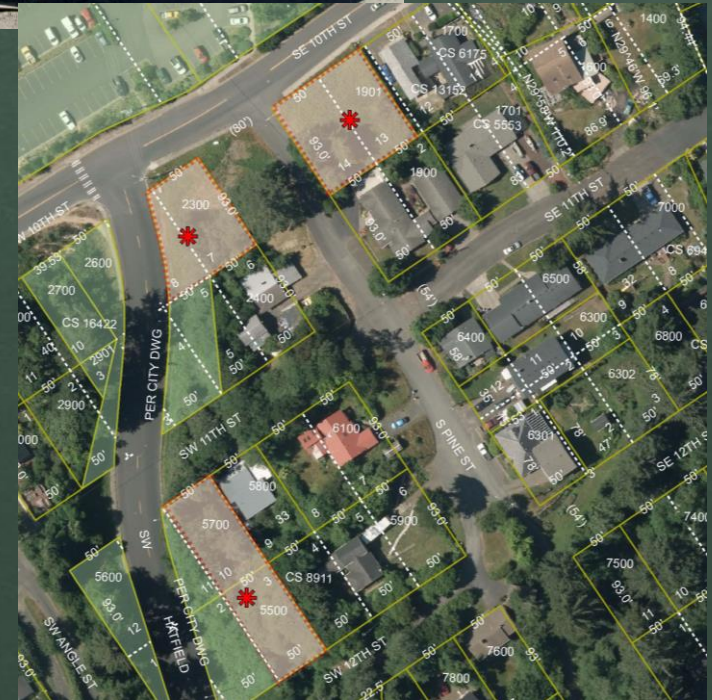
Work Session

6:00 pm, January 25, 2016

Partnership with Habitat for Humanity

Waldport

- ❖ Action: Assist Habitat in implementing land donation agreement for the construction of affordable housing at SE10th and S Pine Street
- ❖ Timeframe: 2-4 years
First units, a duplex targeted for construction in 2016.
- ❖ Benefit: Incrementally increases supply of owner occupied housing affordable to families making 40- 60% of median family income (**i.e. not more than \$34,680 a year for a family of four**).
- ❖ Implements: Newport Housing Goal 1 and Goal 2, Policy 2, which calls for the City to cooperate with non-profits on the provision of needed housing, including the establishment of a land bank program.



Partnership with Lincoln Community Land Trust (LCLT)

Lincoln City

- ❖ Action: Affirm partnership with LCLT by following through with the sustaining funding MOU with the Trust, Lincoln City, and Lincoln County

- ❖ Timeframe: 1-3 years

MOU expires after three year term unless renewed by all parties.



- ❖ Benefit: A multi-jurisdictional partnership with a non-profit that manages a portfolio of owner occupied homes with land leases to guarantee long term affordability. This allows the cities and county to avoid being directly involved in buyer education or managing property portfolios. Targets a wider income range than other housing entities to address workforce needs (up to **120% of MFI** or up to **\$69,360 a year** for a family of four).
- ❖ Implements: Newport Housing Goal 1 and Goal 2, Policy 2, which calls for the City to cooperate with non-profits and other governmental agencies on the provision of needed housing.

Establish Multiple Unit Property Tax Exemption (MULTE) to Support Multi-Family Development

A MULTE Program can provide new multiple-unit projects with a ten-year property tax exemption on structural improvements to the property as long as program requirements are met.

- ❖ Action: Engage the county to develop a tax exemption program for Lincoln County.
- ❖ Timeframe: 1-2 years
- ❖ Benefit: Creates an incentive for the construction of owner occupied and rental multi-family housing units, a form of residential housing that is in short supply in Newport. Tax exemption is typically offset with a guarantee that a portion of the units be affordable during the term of the exemption (e.g. 20% of units at 60% of MFI or **up to \$34,680 a year** for a family of four on an owner occupied unit **or \$795 month for a 2 bedroom unit**).
- ❖ Implements: Newport Housing Goal 1 and Goal 2, Policy 9, which calls for the City to work with the County to evaluate the use of this exemption.



Review City Owned Property to Identify if others are Suitable for Land Banking

- ❖ Action: Assess city owned properties to identify if any are suitable for land banking (i.e. donation) for affordable housing

- ❖ Timeframe: 6 months

Properties inventories are thorough but would need to be updated.



- ❖ Benefits: Donation of property drives down the development costs so that residential units can be constructed at price points affordable to families between 60 and 120% of MFI. Suitable properties are those that are readily developable or can be sold with proceeds used as buyer initiated grants.
- ❖ Implements: Goal 2, Policy 2, which calls for the City to establish a land bank program. Implementation Measure 1.4 which calls for the City to explore creative funding mechanisms to facilitate construction of needed housing.

Community Service Consortium (CSC)

Housing Rehabilitation Programs

- ❖ Action: Work with CSC to establish a Newport based liaison to assist private parties in need of rehab work on their homes but cannot qualify for conventional loans. Liaison could be a non-profit such as Habitat or LCLT
- ❖ Timeframe: 2-4 years
- ❖ Benefit: CDBG Program designed to help low to moderate income homeowners alleviate health and safety issues or correct structural deficiencies that they could not otherwise address through conventional financing. Helps preserve affordable housing stock. Over \$170,000 available to Newport residents as of 6/30/14. Loan amount capped at \$30,000. Income level cannot exceed 80% MFI or **\$47,040 a year for a family of four**.
- ❖ Implements: Housing Policy 9, which calls for the City to evaluate the use of CDBG funds to support low-income housing.



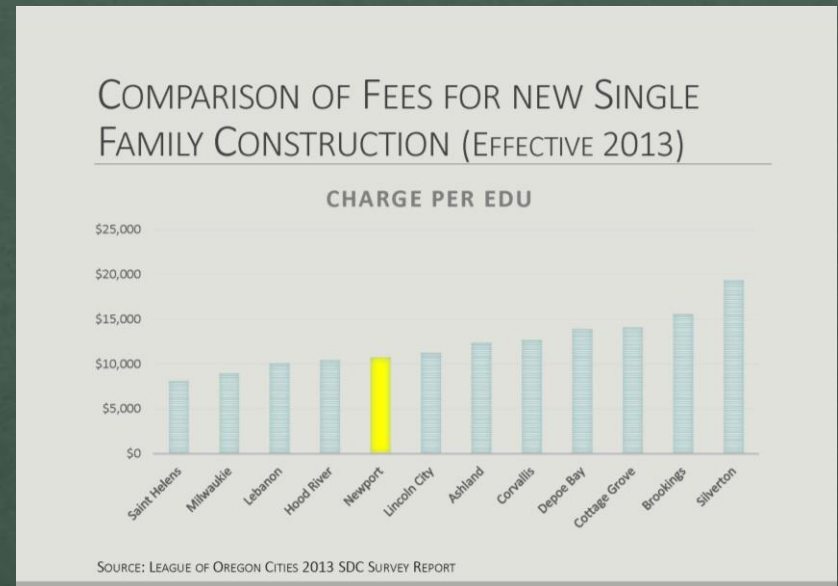
System Development Charges (SDCs)

- ◇ Action: Explore opportunities to incentivize construction of affordable or workforce housing units with reductions in SDCs

- ◇ Timeframe: 1-2 years

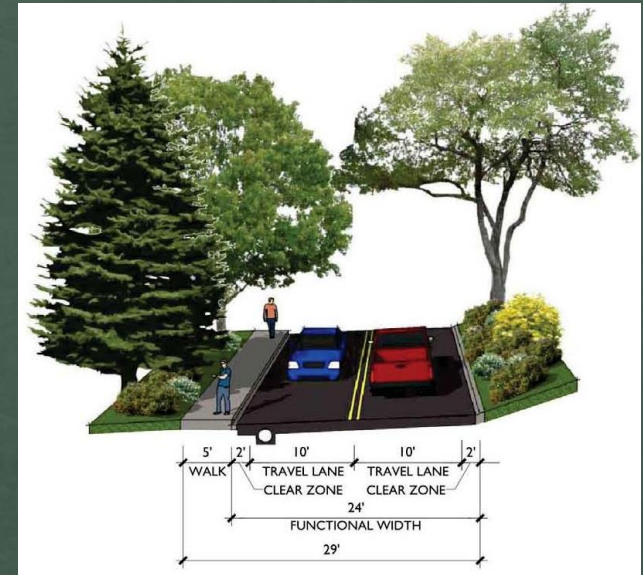
Funds budgeted for SDC methodology update. Work to commence once sewer master plan capital project list is complete (Feb/Mar 2016)

- ◇ Benefit: SDCs are a significant upfront development cost (roughly \$11,000 per unit). Programs often require long term affordability guarantee via recorded agreement (e.g. maintain affordability for 60 years at 60% MFI). Can be capped to limit impacts to SDC revenues.
- ◇ Implements: Policy 1, Implementation Measure 1.4



Narrow Street Standards

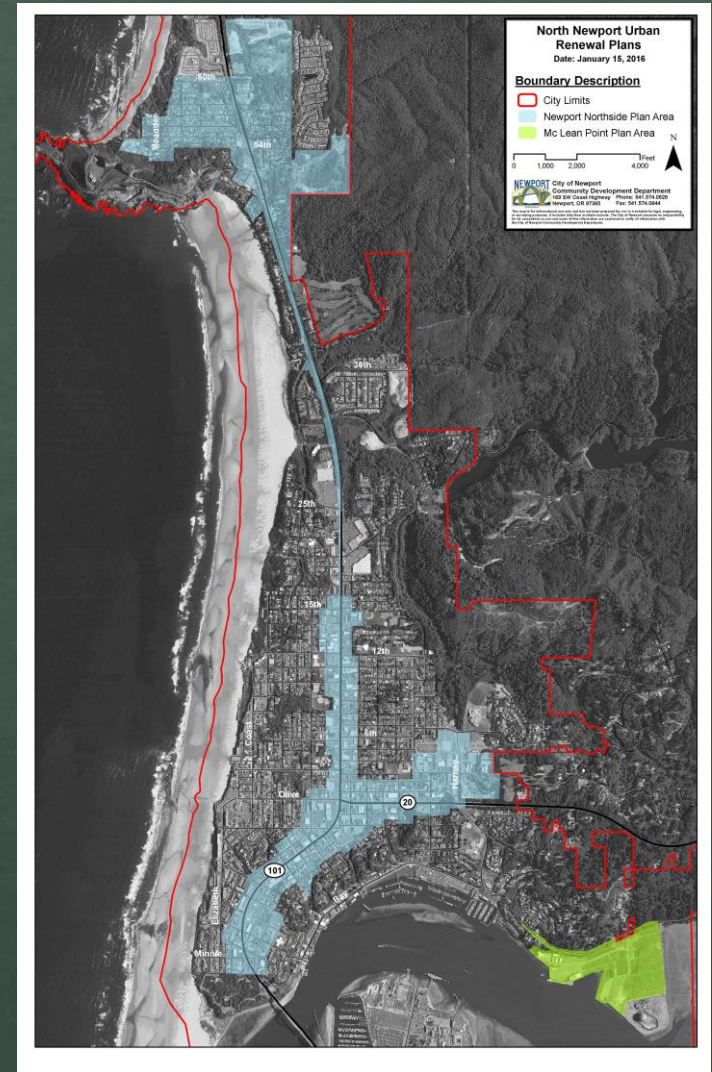
- ◇ Action: Develop alternative street standards to reduce infrastructure costs for new development
- ◇ Timeframe: 2-4 years



- ◇ Benefit: The cost of installing infrastructure is a substantial portion of a projects development costs. Alternative standards could serve as an incentive to increase the supply of housing generally, or as a means of leveraging a certain number of units at affordable or workforce housing price points. Applicable to owner occupied or rental properties.
- ◇ Implements: Policy 4, Implementation Measure 4.2.

Leverage Urban Renewal Funding

- ❖ Action: Evaluate opportunities to invest Newport Northside Urban Renewal funds in redevelopment projects that will create new affordable and workforce housing units
- ❖ Timeframe: 5-10 years
 - Could be prioritized as part of the Agate Beach and City Center refinement plans
- ❖ Benefit: Direct investment in project or supporting infrastructure in exchange for a certain percentage of residential units being constructed at price points affordable to Newport workers. Would likely be accomplished with development agreements.
- ❖ Implements: Policy 1, Implementation Measure 1.4



Policy Considerations

- ◆ Incentive based approaches preferable to regulatory solutions
- ◆ Commission, Council and Staff roles with partner agencies and non-profits should be clarified
- ◆ Long term challenge requiring multiple strategies and effective partnerships
- ◆ Value in regularly assessing progress and extent to which City desires to be actively engaged in the provision of housing
- ◆ Opportunities to support partner agencies (e.g. \$60 million in recently appropriated state housing funding)
- ◆ Others?